

# STORMWATER UTILITY FACT SHEET



## Why a stormwater utility is needed?

Like many Indiana cities, the City of Westfield is faced with the challenge of paying for increased costs to comply with state and federal stormwater quality mandates as well as ongoing maintenance of and improvement to the existing drainage system. A stormwater utility establishes a dedicated and sustainable funding source that provides for program stability and long-term project planning and implementation. Utility funds may be used for stormwater related needs including regulatory compliance, master planning and ordinance development, operation and maintenance costs, capital improvement projects, vehicles and equipment, and staff training.

## Why does the current stormwater utility need updated?

Since 2007, Westfield collected stormwater utility fees through their water utility using a flat rate based on the water meter size. Following the sale of the city's water utility to Citizens Energy Group in 2013, the city continued to collect stormwater fees using the same flat rate. While this method generates some revenue, it is not adequate to meet the city's drainage and regulated stormwater program requirements nor does it reflect the demands that stormwater runoff places on the public infrastructure. As such, the city is proposing to update their stormwater utility based on impervious cover. This method is the most common stormwater utility rate method in Indiana and United State since it provides the best indicator of the amount and quality of stormwater runoff and it is considered the most defensible, fair, and equitable for rate payers.

## What is the proposed new rate and how was it calculated?

The proposed new rate is based on a flat rate or an Equivalent Residential Unit (ERU) for residential properties and actual impervious for non-residential parcels. An ERU is the average area of impervious cover on a single family residential parcel. In Westfield, an ERU is 3,500 square feet and the stormwater fee is \$4.16 per ERU per month. Non-residential parcels are charged multiple ERUs depending on their actual impervious cover. The proposed stormwater utility rate structure is illustrated in the table below.

General Property Class	Proposed Rate
Residential (Single Family, Duplex, Triplex, Condominiums, Mobile/Manufactured Homes)	1.0 ERU (Flat Fee)
Agricultural Homestead	1.0 ERU (Flat Fee)
Commercial, Industrial, Tax Exempt Property (excluding Municipal), Residential Common Areas, Apartments	Multiples of 1.0 ERU based on the actual amount of impervious area, but subject to 1.0 ERU minimum
Tax Exempt (Municipal)	Multiples of 0.50 ERU based on the actual amount of impervious area, but subject to 0.5 ERU minimum
Unimproved Properties (all property classes)	0.33 ERU (Flat Fee)

## What are the benefits of having a stormwater utility?

*Benefits from the perspective of the elected officials and senior staff responsible for annual funding of the stormwater program:*

- Dedicated Funding Source – revenues generated by stormwater utilities can be used as a dedicated source of funding.
- Supplemental Funding Source – stormwater utility revenues can be used to replace current general fund/ad valorem tax funding which enables the tax based funding to be used for other community needs.
- Sustainable Revenues – revenues generated by stormwater utilities are constant and tend to gradually increase with the community's growth.
- Bondable Revenue Stream – bonds for capital improvements can be issued to facilitate constructing stormwater management facilities because the revenues generated by stormwater utilities can be used to pay back bonds.

*Benefits from the perspective of staff responsible for the daily operations of the stormwater program:*

- Programmatic Stability – the community's stormwater management program will tend to operate on a stable basis which supports staff stability, continued levels of maintenance operations, and continuity in Capital Improvement Project (CIP) programs since stormwater utilities have stable revenues.
- Long-Term View – stormwater managers are allowed to adopt a longer view in planning for capital investments, undertaking maintenance enhancement, and developing staff since they are not operating in a year-to-year funding environment with no certainty of follow-on funding in successive years.
- Facilitation of NPDES Compliance – communities that are regulated under the Federal NPDES Stormwater Permitting Program, such as City of Westfield, are more readily able to comply with the specific permit conditions requiring the development of funding for annual operation of the Stormwater Management Program that is contained in their MS4 Permits.

*Benefits from the perspective of the public:*

- Improvements to the Drainage System - everybody benefits from the maintenance and improvements provided by the stormwater utility, through reduced flooding and improved public safety.
- Improved Water Quality for Recreation – activities that involve direct human interaction with water such as swimming, boating, and sport-fishing.
- Improved Livability and Quality of Life – national surveys conducted about the factors that are most important in choosing a place to live consistently include “clean water”. Clean rivers, streams, and lakes benefit the livability of a community and the standard of living for current and future generations.